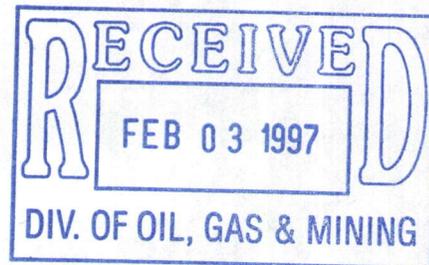


STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/96 To (mo./yr.) 12/96
  2. DOGM File Number (Mine No): M 10411012
  3. Mine Name: Bentonite Pit
  4. Mineral(s) Mined (or permitted to mine): Bentonite
  5. Type of mine  Surface Mine or  Underground Mine
  6. Legal Description (Location of Lands Affected):  
E 1/2 SW 1/4, Section \_\_\_\_\_, Township \_\_\_\_\_, Range \_\_\_\_\_  
NW 1/4, SW 1/4, Section 2, Township 21 S, Range 1 W  
\_\_\_\_ 1/4, \_\_\_\_ 1/4, Section \_\_\_\_\_, Township \_\_\_\_\_, Range \_\_\_\_\_
  7. Name of Operator or Company: Western Clay Com
  8. Permanent Street Address: 508 E. Center  
City, State, Zip: Aurora, Ut. 84620  
Phone: 801-529-3281
  9. Company Representative (or designated operator):  
Name: Neal or Fred Norrnsen  
Title: President  
Business Address: P.O. Box 127  
City, State, Zip: Aurora, Ut. 84620  
Phone: 801-529-3281
- Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes  No
2. If active, how much ore or mineral was mined? 5,829.07 tons

3. How much **Additional acreage** was disturbed during the past year? -0-
4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.

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5. How much acreage was **reclaimed** during the past year? -0-
6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

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7. What is the **total disturbed acreage** at years end? Same as last year

8. Briefly summarize any mining and/or reclamation plans for the upcoming year.  
Western Plans to open another pit at this location and will develop and submit an updated large mining plan in early 1997. Estimate 15,000 tons of production

**NOTE:** Section III., "Additional Information" applies only to large mining operations.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Fred O. Mortensen  
 Title of Operator: President, Western Clay Co.  
 Signature of Operator: Fred O. Mortensen  
 Date: 1-30-97